

## Andrew Jackson to William John Duane, June 26, 1833, from Correspondence of Andrew Jackson. Edited by John Spencer Bassett.

### TO THE SECRETARY OF THE TREASURY (WILLIAM J. DUANE).<sup>1</sup>

<sup>1</sup> From the original, which was sold in 1924 at an auction sale of Mr. Stan. V. Henkels, of Philadelphia. A copy is in the Jackson MSS.

Duane published two pamphlets in vindication of his refusal to order the removal of the deposits, besides his defense in the newspapers. The first was *Letters addressed to the People of the United States* (1834), a pamphlet of 70 pages. It did not contain the entire correspondence because some of the letters were in the files of the Treasury Department. After Jackson retired from office Duane obtained copies of all the letters and issued a final defense, called *Narrative and Correspondence concerning the Removal of the Deposits and Occurrences connected therewith* (Philadelphia, 1838, 176 pages). Each appeared in a limited edition and was circulated chiefly among his friends. The result is that copies are now very hard to obtain.

Boston, June 26, 1833.

*My Dear Sir:* I send you herewith a paper containing my views upon the subject of a discontinuance of the government deposits in the Bank of the United States and the substitution of certain state banks as the fiscal agents of the United States, as far as those duties are now performed by that institution. The only difficulty, I have for some time had upon the subject, has been as it respects the time when this change should commence.

Upon a careful review of the subject in all its bearings, I have come to the conclusion that it ought to be done as soon as we can get ready, and at furthest, by the 1st or 15th

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of September next, so that we may have it in our power to present the new system to Congress, in complete and successful operation, at the commencement of the session.

In the furtherance of this object it is in my opinion desirable that you should appoint a discreet agent to proceed forthwith, with proper credentials from your department, to the Cities of Baltimore, Philadelphia, New York and Boston, to consult with Presidents and directors of the State Banks in those Cities, upon the practicability of an arrangement with them or some of them upon something like the following terms, viz.

1st. That one Bank be selected in Baltimore, one in Philadelphia, two in New York, and one in Boston, with a right on the part of the Government to hold one in Savannah, one in Charleston, S. C., one in the State of Alabama, one in New Orleans and one in Norfolk, upon their acceding to the terms proposed which shall receive the deposits in those places respectively, and be responsible to the Government for the whole Public Deposits of the United States.

2nd. That these Banks shall have the right, by a convention of their Presidents or otherwise, to select all the Banks at other Points throughout the United States, in which the Public Money shall be deposited, with an absolute negative of the Secretary of the Treasury.

3d. That the Secretary of the Treasury shall have the power to discontinue the deposits in any Bank or Banks, or break up the whole arrangement, whenever he may think proper; he giving in such cases the longest notice of his intention to do so, which the public interest may admit of.

4th. That the primary and secondary Banks shall make returns of their entire condition, to the Secretary of the Treasury, monthly and as much oftener as he may require, and report to the Treasurer weekly the state of his deposits, and that they will also subject themselves

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to a critical examination of their books and transactions, by the Secretary of the Treasury, or an authorised agent, whenever the Secretary may require it.

5th. That the arrangement of the Government be with the Primary Banks which shall be responsible to it, not only for the safety of the entire deposits, whenever made, but for making payments at any places in the United States, without charge, to the Government, in gold or silver units, or its equivalent or any sum which may be required there to be paid by the Secretary of the Treasury; that they shall also pay any expenses that may attend the removal of the Deposits, as also the compensation and expenses of any agent, temporary or permanent, whom the Secretary may appoint to examine, into their affairs.

6th. that they will render or cause to be rendered without charge every service which can now be lawfully required of the Banks of the United States.

7th. It would be inconvenient to employ all the state banks in good credit, at the places designated for the location of the primary Banks, but it is nevertheless extremely desirable to secure their good will and friendly co-operation. The importance of that object is too obvious to require elucidation. It is supposed it might be accomplished by an arrangement between the Primary Banks and the other institutions in their immediate vicinity, by which, in consideration of an assumption by them of a share of the responsibilities assumed by the Primary Banks, an equitable share, all circumstances considered, of the benefits of the public deposits would be secured to the other institutions referred to. this might be done by allowing them respectively a credit at the selected banks equal to their share of the deposits, taking into view the amount of capital, the trouble of the primary banks, and all other circumstances entitled to consideration. If such arrangements could be made, it would encrease the actual security of the government, consolidate the entire mass of the mercantile community of the principal cities, in favor of the system, and place its success and permanency beyond contingency. If the negotiation on the subject is, in the first instance, opened with delegations from all the banks in the cities referred to, and them candidly informed of the desire of the Government to award facilities and extend equal

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benefits to all, but that in case of failure to make such an arrangement, it would have to select at its own pleasure the requisite numbers, there is reason to hope the arrangement would be brought about. Amos Kendall Esq. would, in my opinion, be a proper person to be employed in the proposed negotiation.

These views will be regarded by you as suggestions, for your consideration only, and will, if adopted, without doubt, be rendered more complete and effectual by such modifications and additions as may present themselves to your own mind. You will at once perceive that it is not my wish to remove from the bank of the U.S. the funds of the Government which may happen to be on deposit there when the proposed change takes place, otherwise than as they may be wanted for the service of the Government, but they be exclusively drawn upon for that object until they are exhausted.

In making to you, my dear Sir, this frank and explicit avowal of my opinions and feelings, it is not my intention to interfere with the independent exercise of the discretion committed to you by law over the subject. I have thought it however, due to you, under the circumstances, to place before you, with this restriction, my sentiments upon the subject, to the end that you may upon my responsibility allow them to enter into your decision upon the subject, and into my future exposition of it as far as you may deem it proper.

I have the honor to be, very respectfully,

your most obedient servant and friend,